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28 February 1950

MEMORANDUM FOR: EXECUTIVE ✓
COAPS

FROM: Assistant Director, OCD

SUBJECT: Management Survey of Industrial Register

The following comments are keyed to the paragraph headings in Management's report:

- 1.a. Product cards. The first product cards have now been prepared - [] industrial installations. A test run has been made, and the process of isolating inadequacies and correcting them has begun.
- 1.b. Typing backlog. The typing backlog on ICF cards has now been liquidated - thanks to additional hands made temporarily available by the Executive.
- 2.a. Dissemination of ICF cards does indeed impose a heavy workload, but it is difficult to see how it can be avoided in view of the commitment made by CIG at the time when it took over the old Washington Document Center. COAPS, and its predecessor ICAPS, have several times sounded out Army and Air Force on the subject, and both insist that the dissemination must continue. Navy is not interested in all the cards, and does not receive them all, but it does receive cards dealing with some 10 out of 80 industrial categories. [] do not receive the entire output: cards based on [] and OSO reports are not sent to them. Army's overseas commands - EUCOM, USFA, FECOM - allege that they vitally need the cards as an aid to field interrogations. Management's statement that only Army and Air Force have requested continuance is not quite exact. [] recently asked that [] be put on the list, the Army itself speaks for its overseas commands, and the limited distribution being received by the Navy is in accordance with the Navy's ~~only~~ request. Thus we should not accept at face value the implication that only two out of

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the several recipients cares whether or not the distribution is continued.

As a consequence of repeated inquiries in Army and Air Force the opinion has gained ground, over there, that CIA is trying to duck a responsibility and to cut off the flow of industrial information. People on the working level have expressed this view, and have intimated that they will not consider themselves bound to send all categories of industrial information to CIA. No official action by Army or Air has been taken in this direction, and probably no such action would receive official sanction, but reprisals by people down on the analytical and clerical levels would be hard for us to prove and hard to prevent. Industrial Register has tried to make it very plain to all that neither itself nor OCD is responsible for the proposal that ICF dissemination be stopped, and we have thus managed to maintain reasonably cordial relations with our opposite numbers.

It seems to me that we should seek economies in the ICF job by arranging with the contributors of raw information to deliver it in format ready for reproduction, without retyping, rather than by trying to duck out of the reproduction and dissemination which can, with some reasonableness, be regarded as a proper common service for CIA to perform. Most Army materials now come in to us in form ready for reproduction, and Industrial Register has succeeded, with help from COAPS, in inducing Air Force to prepare its Treasure Island materials in the same way. Fortunately we need not redisseminate the heavy volume of [] reports, as these are disseminated in micro-film by the Air Force to those who need them.

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2.b. Evaluation. Does the statement - "The materials contained in the Industrial Register are not evaluated" - imply that they should be evaluated? It is more usual, as in paragraph 2.c. following, for Management to insist that IR should do no evaluating at all.

"The materials...are not in such form as to permit ready utilization by requesters." This, of course, is partially true. Ideally, IR should operate in the same way as Biographic Register; it should file all the bits and scraps of information in dossiers, and should satisfy each request with a written summary of the information available on each plant. This, however, is quite out of the question for IR with its present staff, and it probably will never have enough hands to deal with the problem in this way. The best solution, most likely, is to operate in the way that we now do; to keep the incoming information properly filed in the dossiers and, upon request, to make the dossiers themselves directly available to the requester. ORE and OSI are using them in this way at the present time and they will doubtless increase their use of the dossiers as IR gradually gets wholly current with its machine listings, indexes, and dossier build-up.

2.c. Summaries. It seems to me that Management's comments on this score are inconsistent with what was implied in 2.b. Here it seems to be saying that IR should not prepare summaries,

although it does not suggest any other way in which to meet the criticism above that "the materials...are not in such form as to permit ready utilization." And here again we have the old red-herring about evaluation - which I have discussed in my reply to Management's comments on the Biographic Register: "Register functions are clearly limited to presentation of fact."

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2.e. Morale is a serious problem in any such job as the Industrial Register's. The same applies to a majority of the jobs in OCD, as we are obliged for the most part to use people in the lower pay brackets, to hold them to tedious jobs which never yield the satisfaction, for example, of seeing one's bright idea incorporated in an estimate for the White House, and we can offer them little opportunity for promotion.

Management cites the following as causes of dissatisfaction:

1) the tedious character of the work, 2) prohibitions on evaluating, 3) lack of industrial knowledge, 4) constant pushing to obtain greater production, and 5) strict supervision. As to these:

1) The tedious character of the work can hardly be changed: all we can do is attempt to alleviate it in every way possible, 2) It is Management, not OCD, which contends that no evaluating should be done, but it is a fact that the junior analysts will always have more pick and shovel work than evaluating assigned to them, 3) we are attempting to instil industrial knowledge by on-the-job training, and we know of no other way to do it, 4) constant pushing is necessary in order to get the job done - and OCD would surely be criticised if it didn't keep the pressure on, or, 5) if it didn't exercise strict supervision.

What really worries me is that people who have spent a year or so as GS-5's, and have learned a fair amount about industries and areas, naturally feel that they have earned a right to promotion. I can't blame them. I'd feel the same - as who wouldn't? But the room for promotion is not there, so it behooves a sensible fellow to look around and see if he can't get a better job somewhere else. No amount of Administrative Instructions will cure this, and I don't know the solution. If the problem begins to get really serious we may have to request that GS-5's who have been long enough on the job to be worth a

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good deal more than freshly caught youngsters be allowed GS-7 positions, even though performing work covered by the GS-5 Job Description. (I know this suggestion will cause a succession of blown fuses in Personnel and Administrative circles, but I think it might be the cheapest and most effective answer to a difficult practical problem. Surely the Job Classification experts could work out a way to circumvent the technical difficulties. How would it be if we set up all the junior analyst jobs at GS-7 level, but stipulated that GS-7 status would be given only to employees who (a) had had at least 12 or 18 months experience on the job at GS-5 status, and (b) had been rated Excellent on their most recent efficiency ratings? This would let us give at least limited advancement to the best of the crop, and thus keep them on the job a year or so after we had trained them.)

2.f. ORE evaluations of all if they were kept up-to-date and complete, would enable us to benefit from the help which IBM equipment can give to current intelligence.

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We're not yet ready to start on this job, and it may be that we never will be. Perhaps the industrial picture is too complex for treatment in this way. But we would be short-sighted indeed if we didn't bear the possibility in mind, and it seems that EE of ORE is not unwilling to cooperate.

Management's criticism of the objective is not very cogent. The "Evaluated File", or "Current Estimate File", will not contain the same data as IR's basic files. Of course there will be a time lag between them: information must be received, accessioned, and made available to analysts before it can enter into the formulation of estimates. Workload on the Index Division should be small, by comparison with the workload which results from the need to index all incoming data, because there will be only one card for each plant and revisions will not be too frequent. Other ORE and OSI customers will profit from the end result: they need scarcely be consulted while the work is being done, because there is presumably only one production unit charged with estimates of Russian steel capacity and it is precisely that unit which will be making the estimates used in the file. It is to that unit that the Agency, including other analysts in ORE and OSI, must apply when estimates are needed on Russian steel production.

2.g. The "transportation requirement", which is in fact not so much a requirement as a framework similar to the ICF framework within which to handle information on transportation facilities, is criticised by Management on the basis of misinformation. I have pointed this out in a recent memorandum to the Executive and COAPS.

2.h. A machine index to products could not be started until the first job of organizing our data had been gotten very well underway. Work on such an index has now been commenced. See 1.a. above.

2.i. The organizational and operational hiatus between coders and analysts is not so wide as Management suggests. Coders are not deprived of access to original documents: they do not see them in all instances, but have free access to them whenever there is any point in the extract which they are coding which remains unclear. It is in this way that we check on the lucidity of the extracts. When we get information reports already prepared in the ICF format, as is increasingly the case (see paragraph 2.a. above), the coders work directly from the original. Coders do not change the analysts' decisions without going back to them and getting the green light: this, again, is a process which tends to improve accuracy.

It is always difficult to achieve perfect coordination between GS-4 coders and GS-5 or GS-7 analysts, and Management is quite right to point this out, but I think we are meeting the problem reasonably well. It is likely that the survey team got a somewhat distorted impression of the coder-analyst relationship owing to the fact that it interviewed

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several very recently recruited coders and analysts who, being very new to the job themselves, had not yet got their feet under them. Probably this is how Management also received the faulty impression that coders were deprived of access to original documents and were permitted to review and change the analysts' decisions.

- 2.j. Organization of the files has been changed in part as recommended by Management. See paragraph 4.i. below.
 The charge-out system has been modified as recommended by Management under paragraph 4.k.(6).
 Use of multilith mats has been changed as recommended by Management under paragraph 4.k.(2) and 4.k.(5).

3. The coding/abstracting proposition is now a thing of the past, but I can't help noting Management's comment that it would, if it had been adopted, have cured most of IR's difficulties. It would have cured them all right, in the same way that an Eytalian gardener has told me to cure my dogs of watering the boxwood hedge: "Take a shotgun to them!"

4.a. ICF dissemination. See 2.a. above.

4.b. Industrial requirements. It is unwise to recommend that IR be prohibited from formulating requirements. The Register is in a better position than anyone else to recognize gaps in industrial information, because it is engaged full-time in pulling together and consolidating the information which we have.

On the average, IR sends through about 3 to 5 requirements a month to Liaison, and these almost invariably are for single-copy enclosures to Attache reports, maps, translations (mostly sent direct to FDD, bypassing Liaison), and similar documentary materials. It is a highly essential part of IR's job to gather together all the industrial information it can lay its hands on.

Field collection is very seldom asked for, but it is sometimes necessary in order to resolve discrepancies between different reports. If two reports say wholly different things about a particular factory then it is eminently desirable that the discrepancy be brought to light and the correct answer found.

4.c. Request satisfaction by IR should not be arbitrarily limited.

The cheapest and quickest way to answer a request about a plant is to turn the dossier over to the requester: this we are doing, when the requester is someone from CIA, but the dossier cannot be allowed to leave the Register. Many requests, of course, are answered by machine listings, and this also is a cheap and efficient way to do it. When neither of these methods is practicable, it becomes necessary either to write a summary or to reproduce some or all of the items in the dossier. Now that we have a thermofax (delivered last week) we can perform rapid reproduction of ICF cards and almost everything else

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except dittoed items: this will be a great help. Summaries are prepared only when it is either (a) absolutely necessary in order to satisfy the customer, or (b) when it is desirable on other grounds that a summary be written. See paragraph 2.c. above.

4.d. Limiting the punchcard files [] and product indexes is now in effect. But we hope the day will come when we can set up files for ORE-evaluated estimates as well. See paragraph 2.f. above.

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4.e. ORE evaluation of IR's data is highly desirable - both for ORE and for IR. ORE is one of IR's major customers, and the closer the coordination between them the better. IR's only reason for existence is to compile industrial information for the use of ORE and other analysts. What possible sense is there in recommending that ORE be enjoined not to evaluate the data? Or that IR be enjoined to dissuade ORE from doing so?

4.f. Coordination between ORE and IR, as noted above, is highly desirable, and it is being encouraged by all means at our disposal. More responsibility for the analysts is also a desirable objective, and it is being given them as fast as they can be trained.

4.g. Whether coders and analysts should be assigned administratively to the same Division is a difficult question. It is complicated by Civil Service views on job-levels, supervisory responsibilities, and Job Descriptions. Functionally, coders are intermediate between key-punch people and the analysts. Assuredly they should be closely coordinated with the analysts, and probably should work side by side with them. But Management's proposal on this score should not be imposed on IR, without regard for the best judgment of IR's supervisory personnel, unless better reasons can be given for it than any I now find in the Management report.

4.h. Product coding and indexing has been started.

4.i. Reorganization of the files on a geographic basis has been carried out to a limited degree. They are now arranged on a country basis, but not on a political sub-division basis. The first step was found to be desirable, because many requests are received on a country basis and it is convenient to have the dossiers of each country physically filed together. But it would be unwise to carry the scheme further, and subdivide the country files by political subdivisions, as it very seldom happens that requests come in for "all the dossiers on plants in such and such a county or province".

Originally the Register filed all its dossiers in strict numerical order by dossier number. This was convenient. All one had to do in order to locate the data on a particular plant was to look up its dossier number in the index. In consequence of Management's recommendation we have now split the file into country segments, and when

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we want to locate a [] we find its dossier number in the index, then locate the dossier in its numerical place within the country file. If, however, we were to file by provinces within each country, it would be necessary when searching for a particular dossier to ascertain from the index 1) its number, 2) its country, and 3) its province. This would be most inefficient, and it would add very considerably both to the work burden and to the chances of misfiling. The only reason for making this recommendation that I can think of is that it sounds, on paper, sweetly reasonable. If we are to file by countries, then why not by provinces within country? But, if so, why not go still another step in the same direction and file by counties within provinces, and townships within counties? This too would seem logical on paper, but it would surely create chaos in fact.

4.j. The first thermofax printer has now come in, and Management's recommendations (including those in Tab b) have been acted upon. The scheme is a good one.

4.k. All of these procedural simplifications are reasonable except the last - which neither I nor anyone in IR understands. With this exception all have been acted upon.

Tab A I have dissented from this proposal for the reasons stated under paragraph 2.a. above.

Tab B Good. Acted upon.

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JAMES M. ANDREWS

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